

# NSP Tips 'N Techniques

## Boot Camp Graduates— “Pull the Trigger”

Congratulations to all of our Boot Camp Graduates. To date we have completed eleven Boot Camps and have a few more scheduled in early August. Several of our Boot Camp graduates have “pulled the trigger” and are in the process of negotiating contracts and acquiring their first NSP properties. Our first closings under NSP are scheduled for August 12, 2009.



We are committed to your success

As the program begins churning and burning there will be issues that arise in a locality where the conclusion may benefit the entire NSP family. Below are a few examples of issues that we have been made aware of:

### DHCD Update

**DHCD is in the final review of the NSP Competitive Round. Award notification will take place soon**

#### 1) DEED IN LIEU OF FORECLOSURE:

This is an acceptable acquisition under the Neighborhood Stabilization Program. **By definition—a Deed in lieu of foreclosure is a deed instrument in which a mortgagor (i.e. the borrower) conveys all interest in a real property to the mortgagee (i.e. the lender) to satisfy a loan that is in default and avoid foreclosure proceedings. Because of the requirement that the instrument be voluntary, lenders will often not act upon a deed in lieu of foreclosure unless they receive a written offer of such a conveyance from the borrower.** It is similar to a voluntarily repossession. As a locality you must ensure that the property has been transferred back to the lender prior to your purchase.

#### 2) NEGOTIATING A SALES CONTRACT:

This is where your real estate agent is key to the success of your program. The negotiation of a sales contract is an art form; it becomes a give and take relationship with the Bank. Always begin by asking for everything: low price, closing costs, closing fund for repairs, 45 day close, etc.



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### **HUD Contact for Approval**



You rarely come away with everything you want and the bank never walks away with everything they want. An offer is rarely rejected by a lender instead they “counter” with terms more favorable to themselves. Your real estate agent will “counter” with acceptance or rejection of their terms and reoffer new terms. Counter Offers are time consuming, tedious, stressful, and best left to the experts. A few of the counters we are seeing from REO Lenders :

- 1) Requesting closing dates at 30 days not 45
- 2) Increase of sales price to cover closing costs
- 3) Removing inspection contingencies due to an “as is” sale
- 4) Removing or shortening the timeline for finance contingencies( subject to NSP funding)

So take a deep breath and relax, all of these frustrations are part of the sales contract process. However, always read and re-read any counter offer being presented prior to signing. You do not want to purchase a property that is no longer NSP eligible due to a deletion or insertion of a contingency. If you have any questions contact your DHCD Community Rep: Doug Ellis or Monica Poole.

### **Bragging Rights**

#### **Congratulations to our Boot Camp Graduates**

Central Virginia Housing Coalition	Closing 8/12/09 on 4 homes
Hampton	negotiating on 2 homes
Newport News	negotiating on 3 homes
Northern Shenandoah	2 appraisals ordered
Portsmouth	ordered 1 appraisal
Alexandria	ordering 1 appraisal
Suffolk	3 appraisals ordered
Norfolk	investigating 3 homes
Loudoun	negotiating on 1 home